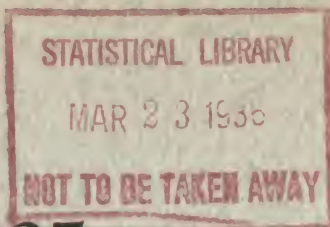


MAY - 6 1936



1935
ONE HUNDRED
AND THIRD
ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1935

MR

STRAWBOARDS

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1935
ONE HUNDRED
AND THIRD
ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1935

DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.	EDWARD S. FRENCH, Springfield, Vt.
ROGER AMORY, Boston, Mass.	JAMES GARFIELD, Cambridge, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
FRANK P. CARPENTER, Manchester, N. H.	ERNEST M. HOPKINS, Hanover, N. H.
HUGH J. CHISHOLM, Portland, Maine	LOUIS K. LIGGETT, Newton, Mass.
WILLIAM DEXTER, Lancaster, Mass.	ROY L. PATRICK, Burlington, Vt.
FAIRMAN R. DICK, New York, N. Y.	W. RODMAN PEABODY, Milton, Mass.
HARRY H. DUDLEY, Concord, N. H.	THOMAS N. PERKINS, Westwood, Mass.
FREDERIC C. DUMAINE, Jr., Weston, Mass.	WILLIAM B. SKELTON, Lewiston, Me.
REGINALD FOSTER, Manchester, Mass.	J. DUNCAN UPHAM, Claremont, N. H.
WILLIAM D. WOOLSON, Springfield, Vt.	

OFFICERS

President and Chairman of Executive Committee	EDWARD S. FRENCH
Vice-President and Clerk of Corporation	ARTHUR B. NICHOLS
Vice-President — Finance and Accounting	W. S. TROWBRIDGE
Vice-President and General Manager	J. W. SMITH
Vice-President — Purchases and Stores	A. W. MUNSTER
Vice-President — Traffic	J. W. RIMMER
Treasurer	E. J. GALLAGHER
General Counsel	A. P. MACKINNON
Chief Engineer	W. J. BACKES

Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 17 Court Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.

APR 30 1924 AS

To the Stockholders of Boston and Maine Railroad:

On behalf of the Board of Directors there is submitted herewith the report for the year ended December 31, 1935.

ROAD OPERATED

Steam mileage operated December 31, 1935 — 1,997.23; a decrease of 40.89 miles during the year. Operations were discontinued on the Keene Branch 21.85 miles and on the Lakeport Branch between Lily Pond and Alton, N. H., 15.97 miles. There was a net decrease of 3.07 miles due to reclassification of tracks.

INCOME ACCOUNT — CONDENSED

	1935	Increase or Decrease	Per cent
Operating Revenues	\$43,624,737 20	\$1,469,124 88	3.49
Operating Expenses	32,549,275 46	1,677,004 91	5.43
Net Revenue from Operation	\$11,075,461 74	\$207,880 03	1.84
Railway Tax Accruals	2,425,423 21	6,352 63	0.26
Uncollectible Revenues	3,688 76	26,916 36	87.95
Railway Operating Income	\$8,646,349 77	\$174,611 04	1.98
Equipment and Jt. Fac. Rents — Net Dr.	2,028,431 89	100,985 68	5.24
Net Railway Operating Income	\$6,617,917 88	\$275,596 72	4.00
Other Income	1,152,236 10	122,090 95	11.85
Total Income.....	\$7,770,153 98	\$153,505 77	1.94
Deductions:			
Rental Payments	\$1,249,195 40	\$2,438 94	0.20
Interest on Debt	6,130,642 28	99,218 84	1.59
Other Deductions	183,552 43	30,002 75	19.54
Net Income	\$206,763 87	\$86,728 62	29.55
Income Applied to Sinking Funds	\$225,202 89	\$13,724 09	6.49
Balance (Deficit)	\$18,439 02	\$100,452 71	—

Italics indicate decrease.

OPERATING REVENUES

Freight Revenue was \$30,730,734.90, an increase of \$1,494,564.71, or 5.11%. Tons of freight carried during the year were 14,303,075, an increase of 206,704, or 1.47%.

Passenger Revenue was \$6,671,100.22, a decrease of \$91,693.30, or 1.36%. Number of Local and Commutation Passengers carried decreased 286,832, or 1.89%. Number of Interline Passengers carried increased 43,574, or 6.09%.

Mail Revenue decreased \$50,373.79, or 3.56%.

Express Revenue increased \$34,470.71, or 4.47%.

Milk Revenue decreased \$84,543.50 or 5.87%.

Other Transportation Revenue increased \$82,470.09, or 9.55%, of which \$9,487.82 was in Other Passenger Train, \$57,002.58 in Switching Revenue, and \$13,727.67 in Other Freight Train Revenue.

Incidental Revenue shows an increase of \$55,588.79, or 3.57%, of which \$6,553.09 was in Dining and Buffet Service; \$3,606.43 in Station and Train Privileges; \$3,185.90 in Freight Storage; \$28,473.95 in Grain Elevators; \$21,996.64 in Rents of Buildings and Other Property; and \$24,500.84 in Miscellaneous Revenue. Demurrage decreased \$6,114.19.

(For detail of Income Account see pages 14 and 15.)

OPERATING EXPENSES

Expenses for Maintenance of Way and Structures decreased \$55,285.11. The substantial program of roadway improvements made possible in 1934 from the proceeds of a loan under the Public Works Act permitted a reduced 1935 maintenance program on Ties, Rails, Track Laying and Surfacing. The expenditure for removing snow and ice increased \$102,125.73 and was the largest since the year 1923 with one exception, 1926.

Expenses for Maintenance of Equipment increased \$785,061.27. To handle economically the greater volume of freight traffic and to give prompt and expeditious service to shippers and consignees, it was necessary to condition adequate locomotive power. A larger proportion of heavy engines therefore received classified repairs, and there was also an increase in the number of locomotives which received Class 2 and Class 3 repairs. This produced a larger average expenditure per locomotive unit, but the cost per mile remained at the same level.

Traffic Expenses increased \$43,489.25. In addition to the increase due to restoration of wage reduction, there was an increase of \$16,196.75 for advertising reduced week-end fares, streamline train, snow and racetrack trains and excursions.

Transportation Expenses increased \$746,405.40. Operating efficiency was maintained at a high standard. Wages which make up a large part of this group of expenses reflect the increase due to the full restoration of wage rates. The comparison of labor accounts is affected as follows:

First quarter of the year increased 5%.

Second quarter of the year increased 10%.

Last half of the year increased 7½%.

Fuel cost increased \$125,693.91 due principally to an increase in price averaging 15¢ per ton.

Miscellaneous Expenses increased \$37,284.36.

General Expenses increased \$121,876.46. In 1934 by order of the Interstate Commerce Commission, credit accounting adjustment on 1926 Reorganization Expenses of \$69,691.23 was made in Law and Other Expenses. No similar credit in 1935.

(For detail of Operating Expenses see pages 16-18, inclusive.)

Of the general wage reduction of 10%, effective February 1, 1932, there was restored to employees 2½% on July 1, 1934, 2½% on January 1, 1935, and the balance of 5% on April 1, 1935. No restorations were made in 1935 of any previous deductions from salaries of general and supervisory officers except in cases where such annual salaries after restoration did not exceed \$4,800.

Operating results are shown by the following tables of Operating Ratios and Freight Operating Efficiency Items:

OPERATING RATIOS

	1931	1932	1933	1934	1935
Maintenance of Way and Structures	14.66%	12.21%	11.66%	12.42%	11.87%
Maintenance of Equipment	14.11%	15.47%	15.65%	13.79%	15.12%
Traffic	1.78%	1.89%	1.67%	1.69%	1.73%
Transportation	37.75%	38.34%	38.56%	40.48%	40.84%
Miscellaneous Operations .....	.38%	.31%	.22%	.25%	.33%
General	4.39%	4.85%	4.81%	4.60%	4.72%
Railway Operating Expenses	73.07%	73.07%	72.57%	73.23%	74.61%

OPERATING EFFICIENCY — FREIGHT

	1931	1932	1933	1934	1935
Average net tons per train	645	608	644	681	680
Average car speed per day	26.2	22.3	22.6	25.2	26.3
Gross Tons per train	1,764	1,692	1,776	1,830	1,817
Gross Ton Miles per train hour	22,597	23,031	24,676	25,259	24,876
Pounds coal per 1000 Gross Ton Miles.....	111	109	107	109	108
Net Ton Miles per car day	343	287	297	349	369

RAILWAY TAX ACCRUALS

Tax accruals for the year 1935 decreased \$6,352.63. City, town, and state tax accruals despite reduction in several instances on property valuations, showed an increase of \$64,483.75 due to increase in 1935 tax rates. Federal tax accruals decreased \$72,132.65 due principally to decrease in taxable income and change in accounting for excise taxes (ordered by Interstate Commerce Commission) whereby such excise taxes as are paid by the vendee must be included in the accounts as additional cost of the material purchased and not as taxes.

EQUIPMENT AND JOINT FACILITY RENTS

Equipment Rents increased \$99,238.63. Charge for operating deficiency under Pullman Company contract was \$17,302 more than 1934 due entirely to a large credit adjustment in 1934 of \$21,075 on previous year operations. The average number of freight cars on line daily for 1935 showed an increase to 15,957 against the daily average of 15,423 in 1934, resulting in per diem payments increasing \$82,000. The increased volume of business handled required the use of this additional equipment.

OTHER INCOME

Income from funded securities increased \$108,729.37 account of interest on North Station Industrial Bldg. Inc. Second Mortgage of \$15,922.20, and interest of \$91,400 on North Station Hotel Bldg. Inc. Second Mortgage and Debenture Bonds. No similar credits in 1934.

Income from unfunded securities and accounts decreased \$10,304.86 as a result of a reduction in credit for Interest during Construction of \$24,325.43 which was offset in part by interest of \$12,800 received on Mt. Washington Railway sale contract.

DEDUCTIONS FROM GROSS INCOME

Miscellaneous tax accruals increased \$31,363.68, reflecting a full year change in accounting ordered by the Interstate Commerce Commission whereby taxes on property not used in Transportation service must be charged to Miscellaneous Tax Accruals and not Railway Tax Accruals.

Interest on funded debt decreased \$19,940.68 as a result of reduction in interest payments account of bonds matured, instalments paid on equipment trust notes, and payments on equipment contracts.

Interest on unfunded debt decreased \$79,278.16 due principally to an interest payment of \$68,000 in 1934 on back federal taxes on leased roads.

NET INCOME

Net Income after all charges was \$206,763.87. While operating revenues for the year increased \$1,469,124.88 and operating expenses increased \$1,677,044.91, the decrease in net income was only \$86,728.62.

FEDERAL VALUATION

By an order of the Interstate Commerce Commission dated July 12, 1930, received February 13, 1931, the final value for rate-making purposes of the Boston and Maine System (excluding the St. Johnsbury & Lake Champlain Railroad and the Montpelier & Wells River Railroad) is fixed at \$230,897,118 as of June 30, 1914. This value brought up to date by adding the net Additions and Betterments since June 30, 1914, makes the value December 31, 1935, \$305,729,047. This does not include value of non-carrier property.

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1935, including full-paid negotiable receipts for subscriptions to Prior Preference Stock was 1,046,113 shares, of a par value of \$104,611,300.

Beginning January 1, 1934, and until January 1, 1940, holders of this Company's bonds of Series Q to GG inclusive have the right to exchange such bonds without limit for Prior Preference stock dollar for dollar in amounts of \$500 and multiples thereof.

CHANGES IN FUNDED DEBT

Funded Debt on December 31, 1935, amounted to \$150,421,079.54, an increase of \$505,828.40 since December 31, 1934.

New Issues:

B. & M. R.R. Equipment Trust No. 6, 4% Trust Certificates dated Various 1935	\$2,053,000 00*
B. & M. R.R. Equipment Trust No. 7, 3½% Trust Certificates dated Dec. 2, 1935	2,670,000 00
<i>Total Increase</i>	<i>\$4,723,000 00</i>

Matured Funded Debt Paid Off:

W. N. & R. R.R. First Mortgage 4% Bonds due Jan. 1, 1935	...	\$150,000 00
Equipment Trust of 1920, 6% Gold Notes due Jan. 15, 1935	.....	454,200 00
Equipment Trust of 1922, 5½% Gold Certificates due Aug. 1, 1935	.....	121,000 00
Equipment Trust No. 3, 6% Gold Certificates due June 1, 1935	.....	141,000 00
Equipment Trust No. 4, 4½% Gold Certificates due Apr. 1, 1935	..	125,000 00
Equipment Trust No. 5, 5% Gold Certificates due May 1, 1935	.....	114,000 00
Equipment Trust No. 6, 4% Trust Certificates due June 1, 1935	.....	176,000 00
Collateral Notes Series A 4% due Sept. 15, 1935	.....	51,000 00
Collateral Notes Series B 4% due Sept. 15, 1935	.....	124,000 00
Collateral Notes Series C 4% due June 1, 1935	.....	174,000 00
Contract — Pullman-Standard Car Mfg. Co.	.....	2,584,410 41
Contract — New York State E.G.C. Hoosick, N.Y.	.....	1,096 61
Contract — New York State E.G.C. Glenville, N.Y.	.....	224 12
Contract — New York State E.G.C. Melrose, N.Y.	.....	131 12
Contract — New York State E.G.C. Pittstown, N.Y.	.....	1,109 34

Total Decrease *\$4,217,171 60*

Net Increase, as above *\$505,828 40*

* By this issue the Railroad acquired:

5 Mountain type locomotives	1 Diesel streamlined stainless steel passenger unit
1 Diesel switching locomotive	10 De luxe passenger coaches
2 Diesel motor rail car units	21 Suburban coaches

CHANGES IN UNFUNDED DEBT

Short-term loans were reduced during the year to \$13,443,597.52, a decrease of \$167,116.63, by the application of liquidating distribution of \$134,452.65 (12%), received from the Railroad Credit Corporation to apply against the net contributed fund under the Marshalling and Distributing Plan of 1931, and a cash payment by the Railroad of \$32,663.98. Collateral deposited as security for these loans remains the same, \$7,500,000 Series KK 5% bonds, and \$17,500,000 Series LL 6% bonds.

During the year your company was successful in arranging with the Reconstruction Finance Corporation, and with the several banks holding its collateral notes, for an extension to February 1, 1937, of all its short-term borrowings.

The Railroad Credit Corporation loan was extended to May 1, 1937.

No new loans were made during the year.

FREIGHT TRAFFIC

Freight revenue for 1935 amounted to \$30,730,734.90, an increase of \$1,494,564.71, or 5.11%, over 1934, being the second consecutive year since 1929 that this class of revenue has shown an increase over the previous year. In 1934, the increase over 1933 was 0.7%. Greater activity of New England industry, resulting in heavier westbound movements, together with increases in some eastbound commodities, was responsible for the higher revenue in 1935. Certain other eastbound commodities, however, showed decreases in 1935, notably anthracite coal.

Reference was made in last year's Report to an application to the Interstate Commerce Commission by the railroads of the country (Ex Parte 115) for an increase in freight rates. As a result the Commission granted emergency increases for the period beginning April 18, 1935, and ending June 30, 1936. The additional revenue accruing to your company by reason of these emergency increases, between April 18 and December 31, 1935, was approximately \$820,000. Your company has joined with other railroads of the country in making further application to the Commission for an extension of these emergency rates beyond June 30, 1936.

On February 1, 1935, to better serve shippers and receivers of perishable freight, a traffic office was opened by the Railroad in the Fruit & Produce Exchange at Boston.

WATER-BORNE TRAFFIC

During the calendar year 1935, 551 vessels other than coal carriers docked at the Railroad's Boston piers, as compared with 563 similar vessels during the calendar year 1934. The tonnage handled by the smaller number of vessels was, however, substantially greater than the tonnage handled in the previous year. Movement of grain registered a large increase, made up of import grain and grain received in intercoastal movement from the Pacific Coast. Commercial coal handled at the Railroad's discharging plant at the Boston piers was 7.3% less than in the previous year.

PASSENGER REVENUE

Passenger revenue for the year amounted to \$6,671,100.22, a decrease of \$91,693.30, or 1.36% below 1934. This decrease is attributable in part to the fact that revenues increased somewhat in 1934 because of unfavorable highway conditions prevailing in the first quarter of that year, whereas in 1935 highway conditions were more favorable for automobile traffic. Also, the horse-racing meets at Rockingham Park, Salem, N. H., were of shorter duration in 1935 than

in 1934, resulting in a reduction in the number of passengers handled by rail to and from that point.

Many innovations in the way of reduced passenger fares were offered during the year to stimulate travel. The operation of Snow Trains during the winter, and special excursion rates at intervals throughout the year, met with the approval of the public, with the result that our excursion and special train movements produced nearly 11% more revenue during 1935 than in 1934.

More air-conditioned Pullman and coach equipment was operated in 1935, and it is proposed to further increase the use of such equipment during the coming season.

In last year's Report reference was made to the acquisition of a new 600 H.P. Diesel-electric streamlined stainless steel articulated passenger unit, capable of a speed of 110 miles per hour. On April 1, 1935, this unit was placed in regular service as the "Flying Yankee" between Boston and Portland over your company's lines, and between Portland and Bangor over the lines of the Maine Central Railroad, on a schedule calling for 740 miles a day, 6 days a week. Public interest in this addition to your company's equipment has been widespread, and the records clearly indicate that many passengers who would otherwise have travelled over the highways have been attracted to the railroad by the comfort and convenience of this unit.

INDUSTRIAL AND AGRICULTURAL BUREAU

Through the activities of this Bureau several substantial industries have located on the property of your company during the year, as well as on privately owned property adjacent to its lines, bringing a considerable amount of new long-haul freight business to the Railroad.

The Agricultural Bureau continues, as in the past, to co-operate closely with various agricultural agencies in this territory, with the New England Council, local Chambers of Commerce and other service organizations.

OPERATING RESULTS

Due to the serious handicap of unfavorable weather conditions in the first quarter of 1935, and flood conditions on the lines of our connections to the West in July, your company did not equal the high record of freight-train efficiency that it attained in 1934. Gross ton miles per train hour, the measure of freight-train efficiency, were somewhat less than in 1934, due in part to the diversion of traffic because of the aforesaid flood conditions to the west of our lines, and in part to the substantially lower tonnage of anthracite coal mentioned previously. On the other hand, there was a substantial increase in the percentage of loaded car miles to total car miles, the figures being 69.7% for 1935 as against 67.6% for 1934.

Locomotive efficiency, which has been steadily rising, was further improved in 1935. Less locomotives were needed to transport a like volume of freight, resulting in a drop of nearly 1% in the ratio of locomotive miles to train miles. Average miles per freight-locomotive-day (serviceable engines only) increased from 87.4 in 1934 to 106.9 in 1935. Average miles per passenger-locomotive-day increased from 101.7 in 1934 to 107.6 in 1935. Pounds of coal consumed per 1,000 gross ton miles decreased 1 pound, or about 1%, below the previous year. The latter is of greater significance when the higher prices paid for coal during 1935 are considered.

On May 1, 1935, this Railroad, and all other Class I Railroads in the United States, under an agreement sponsored by the Association of American Railroads, changed their method of rental payments to owning railroads for the use of box cars. The new arrangement, known as the "average per diem" plan, provides for a fixed rate of payment per car per month based on the average use

during a previous test period, and this rate per car is paid to the owning road irrespective of the actual number of days in each month the car is on the using road. The purpose of the plan is to reduce the movement of empty cars on all railroads and on this railroad there was an actual reduction of 3,787,000 *empty* car miles, or 7.5%, as compared with 1934.

In addition to the streamlined "Flying Yankee" hereinbefore stated as having been placed in regular service in 1935, the second of 2 Diesel-electric switchers went into regular service in January, 1935, the first such switcher having gone into service in the latter part of 1934. Also, 2 Diesel-electric rail car units went into regular passenger service in August; and these, together with 10 new steam locomotives of Pacific and Mountain types, all contributed toward a reduction in cost of operation in both freight and passenger service. The 10 84-passenger de luxe steel coaches and 21 96-passenger steel suburban coaches mentioned in the 1934 Report all went into service during the year.

ADDITIONS AND BETTERMENTS

Improvements during the year were confined to such work as was necessary for the safety of the public and employees, and to provide essential passenger and freight facilities.

Due to the progress of the Ware River project of the Boston Metropolitan Water Supply system, the Boston & Albany Railroad was obliged to abandon on June 1 its branch into Athol, Massachusetts, whereupon the Boston and Maine Railroad acquired the necessary land and tracks and proceeded to furnish service to industries formerly served by the Boston & Albany.

During the year there was retired the trackage operated by your company between Parker and New Boston, N. H. (5 miles), between Lily Pond and Alton, N. H. (16 miles), and between Hudson and Fremont, N. H. (21 miles) — all in pursuance of authority received from the Interstate Commerce Commission.

An improved market for scrap metal resulted in the retirement of unused sidetracks and crossovers in order that such material might be salvaged.

Grade crossings at Princeton, Mass., Winnisquam, N. H., Eliot, Maine, and Hoosick Falls and Elnora, N. Y., were eliminated.

Seven new flange oilers were applied to main line tracks in various locations to prolong the life of rail and reduce flange wear on locomotives.

To facilitate snow removal and expedite the handling of traffic under snow conditions, 54 switch heaters were applied at North Chelmsford, Mass., and two new snow-melting pits were installed in the Boston Terminal. The value of these improvements has been amply demonstrated.

New color-light flashing signals were installed for protection of highway traffic at two crossings, and installation was made at another crossing to supplement electro-pneumatic gate crossing protection.

At several points on the Portland and Fitchburg Divisions, the location of automatic block signals has been changed to provide increased braking distances.

Electric approach signal lights were installed between Worcester and Ayer, Mass., and between White River Junction and Wells River, Vt.

Signal protection to provide for running in either direction on one track was installed between Salem and Beverly, Mass.

BOSTON & MAINE TRANSPORTATION COMPANY

The operations of this highway subsidiary of your company were again of substantial benefit to the Railroad during the year — directly through its handling of certain freight traffic for the Railroad, and indirectly through the substitution of highway operations for unprofitable rail service.

The gross revenue of the Transportation Company from bus operations in 1935 was higher than for any previous year in its history.

A greater volume of freight, both for the Railroad and for its own account, was handled by the Transportation Company's trucks in 1935.

An act regulating the operation of trucks and buses in interstate commerce was passed at the last session of Congress. The regulation is not yet in effect, but it is anticipated that when fully in force some relief will be afforded the railroads by the elimination of unfair and unregulated competition.

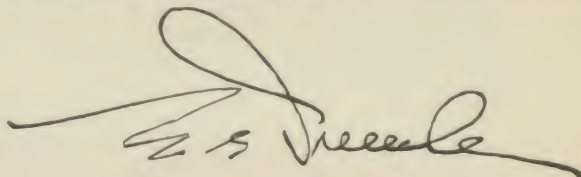
The Vermont Legislature, at a special session called in December, 1935, passed an act reducing the rate at which railroad properties in the state are taxed from one and one-quarter per cent (1.25%) to three-quarters of one per cent (0.75%). This was an emergency measure and applies only during the year 1936 and the first half of 1937, but during that period will afford the railroads in Vermont substantial relief.

The last Congress passed a new act to provide pensions for railroad employees, known as the Railroad Retirement Act; also a tax bill placing an excise tax on railroads and railroad employees to provide a fund for paying such pensions. The Railroad's annual contribution under this tax act would be approximately \$700,000. The present voluntary pension roll is approximately \$300,000. A bill in equity has recently been filed to test the constitutionality of both of these acts.

The last Congress also passed the Social Security Act, designed to provide old age pensions and unemployment benefits. New Hampshire, Massachusetts and New York have passed similar laws designed to meet the requirements of the Federal act. The railroads are not subject to the old-age pension requirements because of the passage of the Pension Act and the tax bill above referred to, but are subject to the provisions relating to unemployment benefits. If these acts stand, your company will be required to contribute approximately \$200,000 the first year, \$400,000 the second year and \$600,000 in each year thereafter. The constitutionality of these acts will undoubtedly be tested.

Federal funds in substantial amounts have been made available for the elimination of grade crossings in each of the states in which your company operates. Programs for such eliminations have been approved and it is anticipated that during the year the work will go forward, resulting in several crossings on this railroad being eliminated without substantial cost to your company.

The Directors again record their appreciation of the loyalty of officers and employees who, by their efficient and intelligent cooperation, have made possible the results attained in another of a series of difficult years.

A handwritten signature in dark ink, appearing to read "E. S. Steele". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

President.

February 25, 1936.

CONDENSED GENERAL BALANCE SHEET — Assets

	Dec. 31, 1935	Dec. 31, 1934
ROAD AND EQUIPMENT		
Investment in Road.....	\$185,385,282 09	\$186,792,774 05
Investment in Equipment*.....	55,838,060 82	57,160,293 50
<i>Total</i>	\$241,223,342 91	\$243,953,067 55
Improvements on Leased Railway Property†.....	17,113,709 47	16,843,211 82
Sinking Funds.....	4,810,057 20	4,548,673 53
Deposits in Lieu of Mortgaged Property Sold	56,822 26	42,713 17
Miscellaneous Physical Property.....	3,909,115 83	2,455,487 87
Investments in Affiliated Companies.....	5,148,553 64	5,122,279 55
Other Investments.....	2,387,514 13	2,370,915 81
<i>Total Investments</i>	\$274,649,115 44	\$275,336,349 30
CURRENT ASSETS		
Cash	\$2,781,006 49	\$2,672,147 02
Cash in Transit — Agents' Remittances.....	286,895 94	259,400 92
Time Drafts and Deposits.....	57,500 00	—
Special Deposits	465,948 75	152,056 93
Loans and Bills Receivable.....	392 64	—
Traffic and Car Service Balances Receivable.....	380,576 10	326,946 88
Net Balance Receivable from Agents and Conductors.....	621,222 75	580,979 79
Miscellaneous Accounts Receivable.....	1,755,280 33	2,111,548 13
Material and Supplies.....	4,779,103 83	5,052,909 69
Interest and Dividends Receivable.....	79,000 42	57,180 00
<i>Total Current Assets</i>	\$11,206,927 25	\$11,213,169 36
DEFERRED ASSETS		
Working Fund Advances	\$10,785 94	\$12,539 22
Insurance and Other Funds	35,000 00	35,000 00
Other Deferred Assets	1,379,026 50	998,178 32
<i>Total Deferred Assets</i>	\$1,424,812 44	\$1,045,717 54
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance	\$37,049 30	\$2,950 76
Discount on Funded Debt	3,142,546 91	3,274,437 92
Other Unadjusted Debits	4,396,000 66	4,756,982 50
Securities Issued or Assumed — Unpledged	234,500 00	234,500 00
Securities Issued or Assumed — Pledged	25,000,000 00	25,000,000 00
<i>Total Unadjusted Debits</i>	\$32,810,096 87	\$33,268,871 18
<i>Grand Total</i>	\$320,090,952 00	\$320,864,107 38

*Does not include equipment acquired from leased roads at inception of leases appraised at \$1,585,000.58.

†Does not include improvements on property of affiliated companies nor on leased roads when leases provide for current settlement.

CONDENSED GENERAL BALANCE SHEET — Liabilities

	Dec. 31, 1935	Dec. 31, 1934 †
CAPITAL STOCK		
Common Stock — 395,051 Shares	\$39,505,100 00	\$39,505,100 00
Preferred Stock — 31,498 Shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 Shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	\$104,611,300 00	\$104,611,300 00
Stock Liability for Conversion	3,000 00	3,000 00
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	\$108,841,340 14	\$108,841,340 14
Grants in aid of Construction	\$17,252 52	—
LONG TERM DEBT		
Funded Debt Unmatured	\$149,869,500 00	\$146,776,700 00
Miscellaneous Obligations	551,579 54	3,138,551 14
<i>Total Long Term Debt</i>	\$150,421,079 54	\$149,915,251 14
CURRENT LIABILITIES		
Loans and Bills Payable	\$13,443,597 52	\$13,610,714 15
Traffic and Car Service Balances Payable	1,900,716 93	1,924,556 17
Audited Accounts and Wages Payable	1,653,666 14	1,657,823 10
Miscellaneous Accounts Payable	249,784 24	388,893 59
Interest Matured Unpaid	325,975 75	326,903 25
Dividends Matured Unpaid	15,411 81	15,411 81
Funded Debt Matured Unpaid	800 00	800 00
Unmatured Interest Accrued	1,451,569 59	1,425,410 79
Unmatured Rents Accrued	182,354 17	182,354 17
Other Current Liabilities	235 44	—
<i>Total Current Liabilities</i>	\$19,224,111 59	\$19,532,867 03
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases	\$209,988 70	\$209,988 70
Other Deferred Liabilities	188,646 40	27,675 51
<i>Total Deferred Liabilities</i>	\$398,635 10	\$237,664 21
UNADJUSTED CREDITS		
Tax Liability	\$542,209 50	\$607,972 50
Premium on Funded Debt	—	3,900 60
Insurance and Casualty Reserves	1,310,838 44	1,276,359 75
Accrued Depreciation — Road	183,405 73	48,989 64
Accrued Depreciation — Equipment	23,796,401 64	25,390,454 50
Accrued Depreciation — Miscellaneous Physical Property	662,294 60	550,442 15
Other Unadjusted Credits	368,634 81	148,994 22
<i>Total Unadjusted Credits</i>	\$26,863,784 72	\$28,027,113 36
CORPORATE SURPLUS		
Additions to Property through Income since June 30, 1907....	\$939,826 78	\$934,330 25
Funded Debt Retired through Income and Surplus	1,929,000 00	1,929,000 00
Sinking Fund Reserves	4,869,240 68	4,603,924 12
<i>Total Appropriated Surplus</i>	\$7,738,067 46	\$7,467,254 37
Profit and Loss — Balance	6,586,681 23	6,842,617 13
<i>Total Corporate Surplus</i>	\$14,324,748 69	\$14,309,871 50
<i>Grand Total</i>	\$320,090,952 00	\$320,864,107 38
BONDS GUARANTEED		
The St. Johnsbury and Lake Champlain R.R. Co. First Mortgage 5% Bonds due March 1, 1944		\$1,328,000 00
Concord & Claremont, N. H., R.R. First Mortgage 5% Bonds, due January 1, 1944		500,000 00
The Peterborough and Hillsborough R.R. First Mortgage 4½% Bonds due July 1, 1936, owned by Boston and Maine Railroad		100,000 00
		\$1,928,000 00

INCOME ACCOUNT

	Year Ended Dec. 31, 1935	Increase or Decrease	Per cent
TRANSPORTATION REVENUE,			
Freight	\$30,730,734 90	\$1,494,564 71	5.11
Passenger	6,671,100 22	91,693 30	1.36
Excess Baggage	9,779 07	189 34	1.90
Mail	1,366,360 58	50,373 79	3.56
Express	805,172 56	34,470 71	4.47
Other Passenger Train	217,441 54	9,487 82	4.56
Milk	1,356,470 06	84,543 60	5.87
Switching	576,707 24	57,002 58	10.97
Special Service Train	98,775 96	2,323 78	2.41
Other Freight Train	39,023 28	13,727 67	54.27
Water Transfers — Freight	4,172 42	117 58	2.90
<i>Total Transportation Revenue</i>	<i>\$41,875,737 83</i>	<i>\$1,384,894 92</i>	<i>3.42</i>
INCIDENTAL REVENUE,			
Dining and Buffet	\$47,401 44	\$6,553 09	16.04
Hotel and Restaurant	14,311 80	2,805 31	24.38
Station and Train Privileges	163,308 46	3,606 43	2.26
Parcel Room	13,683 80	532 75	3.75
Storage — Freight	75,501 89	3,185 90	4.41
Storage — Baggage	2,110 37	592 26	21.91
Demurrage	136,945 91	6,114 19	4.27
Telegraph and Telephone	14,671 95	3,621 15	19.80
Grain Elevator	61,272 33	28,473 95	86.82
Power	27,348 96	24,673 02	47.43
Rents of Buildings and Other Property	540,354 07	21,996 64	4.24
Miscellaneous	516,589 04	24,500 84	4.98
<i>Total Incidental Revenue</i>	<i>\$1,613,500 02</i>	<i>\$55,588 79</i>	<i>3.57</i>
Joint Facility — Cr.	\$137,182 94	\$27,803 81	25.42
Joint Facility — Dr.	1,683 59	837 36	33.22
<i>Total Joint Facility — Operating Revenue</i>	<i>\$135,499 35</i>	<i>\$28,641 17</i>	<i>26.80</i>
<i>Total Operating Revenues</i>	<i>\$43,624,737 20</i>	<i>\$1,469,124 88</i>	<i>3.49</i>
OPERATING EXPENSES,			
Maintenance of Way and Structures	\$5,178,735 55	\$55,285 11	1.06
Maintenance of Equipment	6,596,980 76	785,061 27	13.51
Traffic	756,532 24	43,489 25	6.10
Transportation	17,817,069 30	746,405 40	4.37
Miscellaneous Operations	142,593 25	37,284 36	35.40
General	2,061,179 01	121,876 46	6.28
Transportation for Investment — Cr.	3,814 65	1,826 72	91.89
<i>Total Operating Expenses</i>	<i>\$32,549,275 46</i>	<i>\$1,677,004 91</i>	<i>5.43</i>
<i>Operating Ratio</i>	<i>(74.61%)</i>	<i>(1.38%)</i>	<i>1.88</i>
<i>Net Operating Revenue</i>	<i>\$11,075,461 74</i>	<i>\$207,880 03</i>	<i>1.84</i>
TAX ACCRUALS	\$2,425,423 21	\$6,352 63	0.26
UNCOLLECTIBLE RAILWAY REVENUES	3,688 76	26,916 36	87.96
<i>Total</i>	<i>\$2,429,111 97</i>	<i>\$33,268 99</i>	<i>1.35</i>
<i>Operating Income (carried forward)</i>	<i>\$8,646,349 77</i>	<i>\$174,611 04</i>	<i>1.98</i>

Italics indicate decrease.

INCOME ACCOUNT — *Concluded*

	Year Ended Dec. 31, 1935	Increase or Decrease	Per cent
<i>Operating Income (brought forward)</i>	\$8,646,349 77	\$174,611 04	1.98
Rent from Locomotives	28,749 36	4,123 93	12.64
Rent from Passenger Train Cars	261,038 16	4,694 20	1.83
Rent from Work Equipment	15,680 03	6,271 53	28.67
Joint Facility Rent Income	348,147 42	11,640 81	3.24
<i>Total Rent Income</i>	\$653,614 97	\$17,341 87	2.58
Hire of Freight Cars — Debit Balance	\$1,867,069 91	\$83,145 80	4.66
Rent for Locomotives	8,312 61	121 48	1.48
Rent for Passenger Train Cars	355,141 67	14,978 56	4.40
Rent for Floating Equipment	1,199 04	8,233 65	87.29
Rent for Work Equipment	3,862 84	3,525 38	—
Joint Facility Rents	446,460 79	9,893 76	2.17
<i>Total Rents Payable</i>	\$2,682,046 86	\$83,643 81	3.22
<i>Net Railway Operating Income</i>	\$6,617,917 88	\$275,596 72	4.00
OTHER INCOME			
Income from Lease of Road	\$316,380 00	\$2,500 00	0.78
Miscellaneous Rent Income	325,363 53	146 81	0.05
Miscellaneous Nonoperating Physical Property	64,613 65	47,480 10	277.12
Separately Operated Properties — Profit	510 39	6,266 06	92.47
Dividend Income	77,202 25	17,048 75	18.09
Income from Funded Securities	130,972 23	108,729 37	488.83
Income from Unfunded Securities and Accounts	159,764 78	10,804 86	6.06
Income from Sinking and Other Reserve Funds	49,335 00	109 50	0.22
Release of Premiums on Funded Debt		472 80	—
Miscellaneous Income	28,094 27	2,511 26	9.82
<i>Total Other Income</i>	\$1,152,236 10	\$122,090 95	11.85
<i>Total Income</i>	\$7,770,153 98	\$153,505 77	1.94
MISCELLANEOUS DEDUCTIONS FROM INCOME,			
Miscellaneous Rents	\$6,833 94	\$162 00	2.43
Miscellaneous Tax Accruals.....	54,490 95	31,363 68	135.61
Miscellaneous Income Charges	12,140 28	165 80	1.38
<i>Total Miscellaneous Deductions</i>	\$73,465 17	\$31,691 48	75.86
<i>Income Available for Fixed Charges</i>	\$7,696,688 81	\$185,197 25	2.35
FIXED CHARGES,			
Rent for Leased Roads	\$1,242,361 46	\$2,276 94	0.18
Interest on Funded Debt*	5,560,663 94	19,940 68	0.36
Interest on Unfunded Debt	569,978 34	79,278 16	12.21
Amortization of Discount on Funded Debt	116,921 20	1,526 73	1.29
<i>Total Fixed Charges</i>	\$7,489,924 94	\$98,468 63	1.30
<i>Net Income</i>	\$206,763 87	\$86,728 62	29.55
Income Applied to Sinking Funds	\$225,202 89	\$13,724 09	6.49
<i>Total Appropriations of Net Income</i>	\$225,202 89	\$13,724 09	6.49
<i>Balance Transferred to Profit and Loss (Deficit)...</i>	\$18,439 02	\$100,452 71	—

*Interest amounting to \$177,005.39 for 1935 and \$163,740.80 for 1934 accrued on bonds of Boston and Maine Railroad held in Sinking Fund is included in account "Income Applied to Sinking Funds."
 Italics indicate decrease.

OPERATING EXPENSES

	Year Ended Dec. 31, 1935	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$409,318 82	\$29,779 16
Roadway Maintenance	370,638 52	11,587 29
Tunnels and Subways	16,315 44	9,913 54
Bridges, Trestles and Culverts	303,139 48	68,584 67
Ties	393,997 45	145,169 92
Rails	99,881 15	12,925 38
Other Track Material	235,860 15	2,128 20
Ballast	40,134 91	9,797 11
Track Laying and Surfacing	977,910 63	57,028 05
Right-of-Way Fences	13,581 48	1,166 48
Snow and Sand Fences and Snowsheds	215 09	60 79
Crossings and Signs	227,112 10	25,553 24
Station and Office Buildings	265,192 40	14,488 56
Station and Office Buildings — Depreciation	1,870 40	1,870 40
Roadway Buildings	28,201 26	2,872 24
Water Stations	38,865 13	885 52
Fuel Stations	26,454 00	2,248 59
Shops and Enginehouses	174,974 09	25,840 87
Grain Elevators	10,668 72	4,613 48
Storage Warehouses	723 22	103 44
Wharves and Docks	42,537 03	22,046 52
Coal and Ore Wharves	27,086 96	23,594 07
Telegraph and Telephone Lines	37,871 74	5,745 83
Signals and Interlockers	503,104 33	54,255 09
Power Plant Buildings	3,212 57	534 06
Power Substation Buildings	481 22	184 42
Power Transmission Systems	7,631 16	847 19
Power Distribution Systems	28,423 37	4,860 04
Power Line Poles and Fixtures	9,774 09	125 30
Miscellaneous Structures	853 55	97 61
Roadway Machines	46,281 53	36,552 11
Small Tools and Supplies	75,599 10	34,755 94
Removing Snow, Ice and Sand	546,416 65	102,125 73
Assessments for Public Improvements	83 25	41 64
Injuries to Persons	27,790 81	36,456 78
Insurance	47,274 39	2,281 27
Stationery and Printing	6,187 09	1,605 98
Other Expenses	183 55	83 31
Maintaining Joint Tracks, Yards and Other Facilities — Dr...	194,176 05	14,453 03
Maintaining Joint Tracks, Yards and Other Facilities — Cr...	61,287 33	8,928 46
<i>Total Maintenance of Way and Structures.....</i>	\$5,178,735 55	\$55,285 11
MAINTENANCE OF EQUIPMENT		
Superintendence	\$304,735 09	\$23,368 80
Shop Machinery	145,271 81	36,362 97
Power Plant Machinery	31,192 43	4,801 89
Power Substation Apparatus	2,952 64	525 76
Steam Locomotives — Repairs	2,596,377 36	558,643 92
Other Locomotives — Repairs	70,582 96	23,616 06
Freight-Train Cars — Repairs	818,876 24	153,444 13
Passenger-Train Cars — Repairs	696,221 87	78,740 77
Work Equipment — Repairs	131,568 07	11,813 91
Miscellaneous Equipment — Repairs	12,228 01	2,262 68
<i>Maintenance of Equipment (carried forward)</i>	\$4,810,006 48	\$855,818 93

Italics indicate decrease.

OPERATING EXPENSES — Continued

	Year Ended Dec. 31, 1935	Increase or Decrease
MAINTENANCE OF EQUIPMENT—Concluded		
<i>Brought Forward</i>	\$4,810,006 48	\$855,818 93
Equipment — Retirements	33,189 23	91,673 76
Equipment — Depreciation	1,632,968 05	29,275 99
Injuries to Persons	45,035 61	11,807 39
Insurance	26,471 41	2,200 59
Stationery and Printing	5,275 88	1,607 32
Other Expenses	1,075 86	955 61
Maintaining Joint Equipment at Terminals — <i>Dr.</i>	46,116 00	3,618 04
Maintaining Joint Equipment at Terminals — <i>Cr.</i>	3,157 76	191 70
<i>Total Maintenance of Equipment</i>	\$6,596,980 76	\$785,061 27
TRAFFIC		
Superintendence	\$316,539 43	\$11,918 73
Outside Agencies	261,039 86	14,218 56
Advertising	92,799 26	16,196 75
Traffic Associations	25,276 78	4,595 16
Industrial and Immigration Bureaus	12,120 52	823 99
Insurance	325 55	106 65
Stationery and Printing	48,306 26	4,355 21
Other Expenses	124 58	15 38
<i>Total Traffic</i>	\$756,532 24	\$43,489 25
TRANSPORTATION		
Superintendence	\$475,248 57	\$34,510 92
Dispatching Trains	188,300 71	18,645 00
Station Employees	2,799,665 32	228,586 16
Weighing, Inspection and Demurrage Bureaus	13,282 71	1,403 31
Coal and Ore Wharves	88,628 17	9,111 70
Station Supplies and Expenses	286,032 47	2,778 65
Yardmasters and Yard Clerks	426,373 00	31,128 99
Yard Conductors and Brakemen	864,483 58	49,169 56
Yard Switch and Signal Tenders	106,534 74	4,420 06
Yard Enginemen	532,154 05	21,244 80
Yard Motormen	1,749 48	50 85
Fuel for Yard Locomotives	441,185 27	2,466 36
Water for Yard Locomotives	17,271 39	367 01
Lubricants for Yard Locomotives	10,365 70	783 51
Other Supplies for Yard Locomotives	7,351 82	738 14
Enginehouse Expenses — Yard	110,419 92	552 19
Yard Supplies and Expenses	50,811 97	2,110 81
Operating Joint Yards and Terminals — <i>Dr.</i>	913,448 51	36,215 48
Operating Joint Yards and Terminals — <i>Cr.</i>	174,060 25	6,948 32
Train Enginemen	1,732,625 85	131,100 89
Train Motormen	95,323 39	10,845 73
Fuel for Train Locomotives	2,687,080 21	123,227 55
Train Power Purchased	101,835 93	18,797 02
Water for Train Locomotives	136,021 35	1,212 05
Lubricants for Train Locomotives	81,842 08	19,601 45
Other Supplies for Train Locomotives	42,696 14	115 84
Enginehouse Expenses — Train	606,250 19	39,380 70
Trainmen	2,191,179 99	153,173 68
Train Supplies and Expenses	718,164 59	24,804 81
Signal and Interlocker Operation	440,945 69	40,364 40
Crossing Protection	667,816 46	46,804 66
Drawbridge Operation	23,852 95	1,450 22
Telegraph and Telephone Operation	40,581 03	858 12
Operating Floating Equipment	5,509 81	554 22
Stationery and Printing	85,767 61	8,779 97
Other Expenses	459,202 53	157,219 42
<i>Transportation (carried forward)</i>	\$17,335,942 93	\$741,020 87

Italics indicate decrease.

OPERATING EXPENSES — *Concluded*

	Year Ended Dec. 31, 1935	Increase or Decrease
TRANSPORTATION—<i>Concluded</i>		
<i>Brought forward</i>	\$17,335,942 93	\$741,020 87
Operating Joint Tracks and Facilities — <i>Dr.</i>	29,777 81	7,341 89
Operating Joint Tracks and Facilities — <i>Cr.</i>	40,723 88	2,239 02
Insurance	17,297 83	855 48
Clearing Wrecks	23,379 34	5,788 61
Damage to Property	19,925 51	5,663 93
Damage to Live Stock on Right-of-Way	1,594 52	128 39
Loss and Damage — Freight	179,174 78	8,832 59
Loss and Damage — Baggage	944 19	1,036 62
Injuries to Persons	249,756 27	2,954 36
<i>Total Transportation</i>	\$17,817,069 30	\$746,405 40
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service	\$79,018 17	\$4,294 51
Hotels and Restaurants.....	19,330 37	5,065 31
Grain Elevators	44,062 43	27,923 46
Other Miscellaneous Operations	182 28	1 08
<i>Total Miscellaneous Operations</i>	\$142,593 25	\$37,284 36
GENERAL		
Salaries and Expenses of General Officers	\$184,580 88	\$14,270 17
Salaries and Expenses of Clerks and Attendants	1,191,360 30	65,512 62
General Office Supplies and Expenses.....	99,992 17	436 11
Law Expenses	151,438 27	36,372 85
Insurance	1,094 12	374 16
Pensions	296,276 26	4,660 02
Stationery and Printing	42,228 82	4,269 47
Valuation Expenses	38,748 75	2,371 01
Other Expenses	37,735 06	16,096 92
General Joint Facilities — <i>Dr.</i>	18,158 78	129 43
General Joint Facilities — <i>Cr.</i>	434 40	25 30
<i>Total General</i>	\$2,061,179 01	\$121,876 46
Transportation for Investment — <i>Cr.</i>	\$3,814 65	\$1,826 72
<i>Total Operating Expenses</i>	\$32,549,275 46	\$1,677,004 91
<i>Ratio to Total Operating Revenues</i>	(74.61%)	(1.38%)

Italics indicate decrease.

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1935

Item	Dr.	Cr.
Balance, December 31, 1934 (Credit)	—	\$6,842,617 13
Unrefundable overcharges.....	—	12,230 00
Profit on Road and Equipment Sold	—	200 00
Adjustment A/C V.V.R.R. Imprv't Account	—	40,077 13
Miscellaneous Credits	—	3,766 26
Debit Balance from Income Account for Year 1935	\$18,439 02	—
Loss on Retired Road and Equipment	239,389 80	—
Preliminary Engineering Expense on Projects Abandoned	17,030 15	—
Miscellaneous Debits	37,350 32	—
Balance December 31, 1935 (Credit)	6,586,681 23	—
<i>Totals</i>	\$6,898,890 52	\$6,898,890 52
<i>Balance to next year's account (Credit)</i>	—	\$6,586,681 23

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1935

Road

1	Engineering	\$54,928	91
2	Land for Transportation Purposes	15,016	08
3	Grading	293,153	67
6	Bridges, Trestles and Culverts	201,625	16
8	Ties	90,827	59
9	Rails	153,796	04
10	Other Track Material	33,592	42
11	Ballast	35,758	55
12	Track Laying and Surfacing	76,160	50
13	Right-of-Way Fences	15,704	00
15	Crossings and Signs	9,410	02
16	Station and Office Buildings	197,674	96
17	Roadway Buildings	15,591	40
18	Water Stations	13,702	50
19	Fuel Stations	437	00
20	Shops and Enginehouses	9,090	29
21	Grain Elevators	17,968	48
23	Wharves and Docks	4,856	98
26	Telegraph and Telephone Lines	1,493	44
27	Signals and Interlockers	138,108	87
31	Power Transmission Systems	157	67
32	Power Distribution Systems	146	72
33	Power Line Poles and Fixtures	62	39
35	Miscellaneous Structures	919	44
37	Roadway Machines	4,519	12
39	Assessments for Public Improvements	489	21
44	Shop Machinery	3,550	01

Equipment

51	Steam Locomotives	\$660,844	86
52	Other Locomotives	75,393	04
53	Freight Train Cars	27,763	80
54	Passenger Train Cars	1,535,753	26
57	Work Equipment	113,496	33
58	Miscellaneous Equipment	5,726	70
		<hr/>	<hr/>
			2,418,977 99

General Expenditures

73	Law	\$31	33
76	Interest during Construction	4,309	81
		<hr/>	<hr/>
<i>Total</i>			\$1,528,286 71
Credit:			
	Equipment Retired	\$3,741,210	67
	Land Sold and Property Retired	246,146	53
		<hr/>	<hr/>
Net Charge to Additions and Betterments			\$2,459,070 49
Distributed as follows:			
	Credited to Capital Accounts	\$2,729,724	64
	Charged to Leased Roads	270,654	15
		<hr/>	<hr/>
			2,459,070 49

There are included in above statement, credits in the amount of \$1,232,098.00 representing transfers from Account 701—Investment in Road and Equipment to Account 705—Miscellaneous Physical Property, the Ledger Value of properties over which operations have been discontinued.

Italics indicate credit.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1935 Owned Road

NAME OF ROAD AND DESCRIPTION		CAPITAL STOCK		
		Amount Outstanding	Dividend * Rate	
Boston and Maine Prior Preference		\$23,132,200 00	7 %	
Negotiable Receipts		6,300 00		
First Preferred, Class A		18,860,000 00	5 %	
B		7,648,800 00	8 %	
C		7,917,100 00	7 %	
D		4,327,000 00	10 %	
E		65,000 00	4½ %	
Preferred		3,149,800 00	6 %	
Common		39,505,100 00		
Total Capital Stock		\$104,611,300 00		
*Prior Preference Stock (Cumulative Dividends unpaid since Jan. 1, 1932) \$28.00 per share Total \$6,422,689.00				
First Preferred Stock (Cumulative Dividends unpaid since Oct. 1, 1931)				
Class A — \$21.25 per share		Total \$4,007,750.00		
Class B — \$34.00 " "		\$2,600,592.00		
Class C — \$29.75 " "		\$2,353,314.25		
Class D — \$42.50 " "		\$1,838,975.00		
Class E — \$19.125 " "		\$ 12,431.25		
		FUNDED DEBT		
		Amount Outstanding	Date of Maturity	Rate
Boston and Maine General Mortgage, Boston & Lowell		\$1,250,000 00	Mar. 1, 1936	5 %
Sinking Fd. Improvement		1,919,000 00	Feb. 1, 1937	4 %
Fitchburg		5,000,000 00	Feb. 1, 1937	4 %
P., Gt. F. & C. R. R.		1,000,000 00	June 1, 1937	4½ %
Series Q		329,000 00	Feb. 2, 1940	5 %
R		2,787,000 00	May 1, 1940	5 %
S		500,000 00	Sept. 1, 1940	5 %
T		6,641,000 00	Sept. 1, 1941	5 %
U		500,000 00	Nov. 1, 1941	5 %
V		1,968,000 00	Mar. 1, 1942	5 %
W		1,670,000 00	Apr. 1, 1942	5 %
X		184,000 00	July 1, 1942	5 %
Y		2,500,000 00	Aug. 1, 1942	4 %
Z		958,000 00	Jan. 1, 1943	5 %
Connecticut River		1,541,000 00	May 1, 1943	5 %
Series AA		1,000,000 00	Sept. 1, 1943	4 %
BB		6,000,000 00	Jan. 1, 1944	4½ %
CC		7,053,000 00	Apr. 1, 1944	5 %
DD		170,000 00	Apr. 1, 1944	5 %
EE		612,000 00	Jan. 1, 1945	5 %
FF		2,108,500 00	June 1, 1945	5 %
GG		507,000 00	Jan. 1, 1946	5 %
HH		804,000 00	Jan. 1, 1947	5 %
II		375,000 00	Apr. 1, 1947	5 %
JJ		5,454,000 00	July 1, 1950	3 %
KK**		7,500,000 00	Mar. 1, 1952	5 %
LL**		15,000,000 00	May 1, 1955	5 %
MM		13,943,000 00	Apr. 1, 1961	4½ %
NN		17,500,000 00	June 1, 1962	6 %
OO		30,942,000 00	Sept. 1, 1967	5 %
Total Mortgage Bonds		\$137,715,500 00		
Boston and Maine Equipment Trust of 1922 Gold Certificates		\$242,000 00	Aug. 1, 1936-'37	5½ %
Equipment Trust No. 3 Gold Certificates		423,000 00	June 1, 1936-'38	6 %
Equipment Trust No. 4 Gold Certificates		1,000,000 00	Apr. 1, 1936-'43	4½ %
Equipment Trust No. 5 Gold Certificates		1,026,000 00	May 1, 1936-'44	5 %
Equipment Trust No. 6 Trust Certificates		2,452,000 00	June 1, 1936-'49	4 %
Equipment Trust No. 7 Trust Certificates		2,670,000 00	Dec. 1, 1936-'44	3½ %
Total Equipment Trust Obligations		\$7,813,000 00		
Boston and Maine Collateral Notes Series A		\$859,000 00	Sept. 15, 1936-'44	4 %
B		2,106,000 00	Sept. 15, 1936-'44	4 %
C		1,376,000 00	June 1, 1936-'43	4 %
Total Collateral Notes		\$4,341,000 00		
Boston and Maine Contract Pullman — Standard Car Manuf. Co.		\$428,577 95	Dec. 1936	5-5¼ %
N. Y. State E.G.C. Hoosick, N. Y.		51,540 67	July 19, 1982	4 %
Glenville, N. Y.		10,757 76	Oct. 5, 1984	4 %
Melrose, N. Y.		6,385 68	July 26, 1984	4 %
Pittstown, N. Y.		54,317 48	Oct. 17, 1984	4 %
Total Miscellaneous Obligations		\$551,579 54		
Grand Total Funded Debt		\$150,421,079 54		

**Owned by Railroad and pledged as collateral for loans. No interest accrued.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING

DECEMBER 31, 1935

Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK	
	Amount Outstanding	Dividend Rate (Paid as rental)
Nashua and Lowell	\$800,000 00	9 %
Stony Brook	300,000 00	7 %
Wilton	240,000 00	8½ %
Peterborough	385,000 00	4 %
New Boston	84,000 00	4 %
Concord and Portsmouth	350,000 00	7 %
Pemigewasset Valley	541,500 00	6 %
Northern	3,068,400 00	6 %
Vermont and Massachusetts	3,193,000 00	6 %
Troy and Bennington	150,800 00	10 %
Connecticut and Passumpsic Rivers — Preferred	2,500,000 00	6 %
Massawippi Valley	800,000 00	6 %
Vermont Valley	1,000,000 00	—
Sullivan County	500,000 00	—
Franklin & Tilton	265,600 00	—
Peterborough and Hillsborough	45,000 00	—
Newport and Richford	350,000 00	—
Concord & Claremont, N. H.	412,400 00	—
<i>Total Capital Stock</i>	\$14,985,700 00	

FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate
Peterborough and Hillsborough	\$100,000 00	July 1, 1936	4½ %
Peterborough and Hillsborough	65,000 00	Apr. 30, 1887	No interest
Newport & Richford	350,000 00	Jan. 1, 1941	5 %
Connecticut and Passumpsic Rivers	1,900,000 00	Apr. 1, 1943	4 %
Concord & Claremont, N. H.	500,000 00	Jan. 1, 1944	5 %
Vermont Valley	1,500,000 00	Oct. 1, 1940	4½ %
Sullivan County	357,000 00	Apr. 1, 1944	6 %
<i>Total Funded Debt</i>	\$4,772,000 00		

MILES OF ROAD OPERATED, DECEMBER 31, 1935

	Owmed	Leased	Total
STEAM ROADS			
Main Lines	850 31	244 00	1,094 31
Branch Lines	603 99	203 11	807 10
Trackage Rights		95 82	95 82
<i>Total Road Operated</i>	1,454 30	542 93	1,997 23
Second Track	446 87	(A) 133 09	579 96
Third Track	4 40	(B) 5 53	9 93
Side Tracks	1,212 93	205 03	1,417 96
<i>Total Track Operated</i>	3,118 50	886 58	4,005 08

A Includes trackage rights, 17.62 miles.

B Includes trackage rights, .99 mile.

TRAFFIC AND OPERATING STATISTICS

	Year Ended Dec. 31, 1935	Increase or Decrease
FREIGHT		
Tons of revenue freight carried	14,303,075	206,704
Tons of company freight carried	1,118,400	291,972
<i>Total tons of freight carried</i>	<i>15,421,475</i>	<i>86,268</i>
Tons of revenue freight carried one mile	2,041,652,035	65,548,307
Tons of company freight carried one mile	108,802,038	50,692,680
<i>Total tons of freight carried one mile</i>	<i>2,150,454,073</i>	<i>14,855,727</i>
AVERAGES		
Average miles hauled — revenue freight	142.74	2.55
Average miles hauled — non-revenue freight	97.28	16.81
Average miles hauled — all freight	139.45	1.73
Tons of revenue freight per revenue train mile (including mixed service)	646.50	17.68
Tons of all freight per revenue train mile (including mixed service)	680.95	1.38
*Tons of revenue freight per loaded car mile (including mixed service)	19.13	.22
*Tons of all freight per loaded car mile (including mixed service)	20.15	.28
*Freight cars per revenue train mile (including mixed service)	48.50	.80
*Loaded cars per revenue train mile (including mixed service)	33.79	.53
*Empty cars per revenue train mile (including mixed service)	14.71	1.33
Revenue per ton of freight	\$2.14854	\$.07452
Revenue per ton per mile	1.505	.026
Revenue per revenue train mile (including mixed service)	\$9.731	\$.428
*Freight revenue per loaded car mile (including mixed service)	28.794	.819
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$725,083 78	\$20,316 61
All other commutation ticket passengers	1,176,115 64	64,876 77
Single fare ticket passengers (not including interline)	2,805,034 06	50,898 37
Interline ticket passengers	1,846,543 92	46,241 03
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,562,528	89,360
All other commutation ticket passengers	7,272,967	286,032
Single fare ticket passengers (not including interline)	4,087,301	88,560
Interline ticket passengers	758,904	43,574
<i>Total number of passengers carried</i>	<i>15,681,700</i>	<i>243,268</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	77,298,376	1,416,621
All other commutation ticket passengers	65,551,514	5,073,934
Single fare ticket passengers (not including interline)	106,953,334	2,313,612
Interline ticket passengers	67,998,921	4,198,357
<i>Total number of passengers carried one mile</i>	<i>317,802,145</i>	<i>2,021,514</i>
Number of passengers to and from Boston, including monthly ticket passengers ..	14,390,824	70,736
AVERAGES		
Average distance carried per passenger (miles)	20.27	.44
Number of passengers per train mile (including mixed service)	44.45	.04
Number of passengers per car mile (including mixed service)	15.10	.05
Number of cars per train mile (including mail, baggage and express cars) (including mixed service)	4.99	.25
Revenue per passenger	42.54	.07
Revenue per passenger mile, monthly commutation ticket passengers .....	.933	.009
Revenue per passenger mile, other commutation ticket passengers	1.794	.001
Revenue per passenger mile, single-fare not including interline	2.623	.106
Revenue per passenger mile, interline passengers	2.716	.106
Revenue per passenger mile, all passengers	2.099	.043
Passenger revenue per passenger car mile (including mixed service)	31.706	.523
Total passenger service train revenue per train mile (including mixed service)	\$1.458	\$.037
AVERAGES PER MILE OF ROAD		
Operating revenue	\$21,647 31	\$1,051 85
Operating expense	16,151 48	1,068 59
Net operating revenue	\$5,495 83	\$16 74
Freight revenue	\$15,460 22	\$1,018 25
Passenger service train revenue	6,080 23	122 77
Ton miles revenue freight	1,027,127	50,979
Ton miles all freight	1,081,864	26,930
Passenger miles — revenue	185,330	8,007
Freight train miles	1,637	30
Passenger train miles	4,126	199
Mixed train miles	88	08
Special train miles	17	01
Train miles — total revenue	5,132	112
Work train miles	54	64
Locomotive miles — excluding work service	6,352	54
Freight service car miles (including mixed and special service)	78,775	654
Passenger service car miles (including mixed and special service)	21,642	698

*Does not include Caboose Car Mileage.
**Includes Sleeping and Parlor Car surcharge.

†Includes "Exclusive work equipment."
Italics indicate decrease.

TRAFFIC AND OPERATING STATISTICS—Concluded

	Year Ended Dec. 31, 1935	Increase or Decrease
AVERAGES PER REVENUE TRAIN MILE		
Operating revenues	\$4.22	\$.12
Operating expenses	3.15	.15
Net operating revenue	\$1.07	\$.09
Loaded freight car miles — freight trains	34.25	.42
Loaded freight car miles — mixed trains	11.90	5.14
Empty freight car miles — freight trains	15.05	1.86
Empty freight car miles — mixed trains	2.66	.19
Passenger train car miles — passenger trains	5.05	.08
Passenger train car miles — mixed trains	7.08	.44
AVERAGES PER REVENUE LOCOMOTIVE MILE		
Train miles — freight trains .....	.81	—
Car miles — freight trains	41.02	.36
Train miles — passenger trains	1.07	.12
Car miles — passenger trains	5.42	.16
Train miles — mixed trains .....	.97	—
Car miles — mixed trains	21.70	4.86
Train miles — special trains .....	.95	—
Car miles — special trains	5.34	.87
*LOCOMOTIVE MILEAGE		
Freight service	3,749,321	24,559
Passenger service	6,590,731	14,535
Mixed service	183,695	19,617
Special service	35,210	90
Train switching	373,123	12,363
Yard switching	1,868,080	72,937
Work service	142,657	137,104
Total locomotive miles	12,942,817	227,229
TRAIN MILEAGE		
Freight service	3,054,589	4,839
Passenger service	7,075,641	81,891
Mixed service**	178,168	19,284
Special service	33,476	133
Work service	108,264	134,079
Total train miles	10,450,138	66,500
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	104,604,752	1,431,724
Empty	45,978,214	3,772,642
Exclusive work equipment	136,012	24,941
Caboose	3,092,463	383
Total freight-train car miles	153,811,441	2,366,242
Passenger-Train Car Miles:		
Passenger	17,096,379	158,906
Sleeping and parlor	3,806,542	55,682
Dining	252,506	23,279
Other	14,553,396	67,807
Total passenger-train car miles	35,708,823	22,222
Mixed-Train Car Miles:		
Freight — Loaded	2,120,500	785,384
Freight — Empty	473,350	13,798
Exclusive work equipment	4,443	369
Caboose	125,315	11,741
Passenger carrying	137,745	48,955
Other passenger	1,124,269	176,039
Total mixed-train miles	3,985,622	561,704
Special-Train Car Miles:		
Freight service	47,641	16,918
Passenger service	140,378	14,109
Total special-train car miles	188,019	31,027
Total transportation service	193,693,905	1,751,239

*Includes 257,280 electric locomotive miles, 13,679 tractor locomotive miles and 80,796 Diesel locomotive miles.

**Proportioned to Freight and Passenger Service, in computing Train Mile Statistics, on basis of freight and passenger car miles in mixed trains.

Italics indicate decrease.

The figures and tables used in this report are
from the official records of the Railroad as reported
to the Interstate Commerce Commission.
